



OFFICE OF THE UNDER SECRETARY OF DEFENSE

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SEP 25 2014

ACQUISITION,
TECHNOLOGY
AND LOGISTICS

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY
(ENVIRONMENT, SAFETY, AND OCCUPATIONAL HEALTH)
DEPUTY ASSISTANT SECRETARY OF THE NAVY
(ENVIRONMENT)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(ENVIRONMENT, SAFETY, AND INFRASTRUCTURE)
STAFF DIRECTOR, DEFENSE LOGISTICS AGENCY (DSS-E)

SUBJECT: Cost Estimating and Reporting Procedures – Update to DoD Manual (DoDM)
4715.20, “Defense Environmental Restoration Program (DERP) Management,”
March 9, 2012

The attached cost estimating and reporting procedures will be incorporated into Chapter 13, Cost Estimating and Financial Management, and to Chapter 14, Environmental Liability Reporting, of DoDM 4715.20, as appropriate. These procedures were developed in collaboration with your staff to: (1) ensure the DoD Components develop consistent cost estimates, (2) improve the accuracy of DoD’s cost estimates, and (3) improve data reporting. The attachment includes the effective date for each procedure.

My points of contact are Ms. Patricia Huheey at 571-372-7548 or patricia.e.huheey.civ@mail.mil, and Ms. Deborah Morefield at 703-571-9067 or deborah.a.morefield.civ@mail.mil.

Maureen Sullivan

Director, Environment, Safety, and Occupational Health

Attachment:
As stated

The following cost estimating and reporting procedures will be included in the next update of DoD Manual 4715.20:

1. Procedure: The DoD Components will provide the Office of the Secretary of Defense for Installations and Environment, Environment, Safety, and Occupational Health Directorate (ODUSD(I&E)/ESOH) with an itemized list of the cost elements contained within the “Other” program management line item on the ENV30 budget exhibit. The DoD Components will also provide ODUSD(I&E)/ESOH with the funding requirements by fiscal year (FY) for each cost element.

Effective Date: The Select and Native Programming Data Input System (SNaP) FY2015 President’s Budget submission due in February 2014.

2. Procedure: The DoD Components will flag sites that do not have defined end dates for the remedial action-operation (RA-O) and long-term management (LTM) phases in their Knowledge-Based Corporate Reporting System (KBCRS) data submissions.

Effective Date: The mid-year 2014 KBCRS data submission due in September 2014.

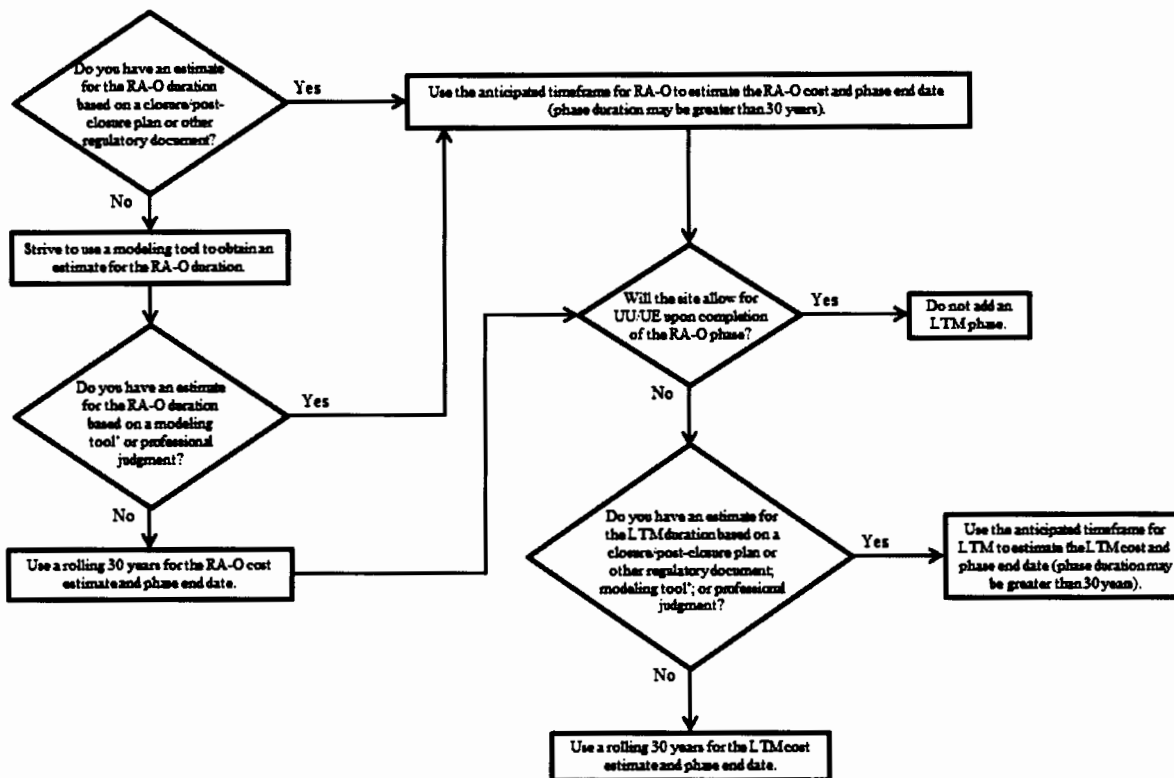
3. Procedure: A site’s projected response complete (RC) date will reflect the end date for the RA-O phase (or the remedial action construction phase if there is no RA-O phase), plus up to one year to allow the DoD Components to seek regulator agreement on the RC determination.

Effective Date: The end of FY2014 KBCRS installation and site data submission due in November 2014.

4. Procedure: The DoD Components will follow the approach shown in Figure 1 on the following page when estimating RA-O and LTM costs and phase end dates, rather than using a rolling 30 years.

Effective Date: Initial implementation for the end of FY2014 KBCRS installation and site data submission due in November 2014; full implementation for the mid-year 2015 KBCRS data submission tentatively due in August 2015.

Figure 1: Approach for Estimating RA-O and LTM Costs and Phase End Dates



* A modeling tool is the preferred method for obtaining an estimate for the RA-O and LTM durations in the absence of a closure/post-closure plan or other regulatory document.

5. Procedure: The DoD Components will report current year funding as follows.

- For the SNaP President’s Budget and KBCRS President’s Budget backup data submissions:
 - Provide actual obligations in the reporting FY.
 - Additionally, for Base Realignment and Closure (BRAC) installations, include actual obligations of prior year funds and land sale revenue in the reporting FY¹.
- For the SNaP Program Objectives Memorandum/Budget Estimates Submissions and KBCRS mid-year submissions:
 - Provide actual obligations to date in the reporting FY, plus planned obligations through the end of the reporting FY.
 - Additionally, for BRAC installations, include actual obligations of prior year funds and land sale revenue to date in the reporting FY, plus planned obligations of prior year funds and land sale revenue through the end of the reporting FY¹.
 - In the absence of actual obligations, report planned obligations rather than \$0 obligations.

Each DoD Component will report its own program requirements in the total obligational authority and not the program requirements of another DoD Component (e.g., for U.S.

¹ Report obligations of prior year funds and land sale revenue in accordance with the ENV30 instructions and KBCRS data transmission templates.

Environmental Protection Agency (EPA) funding, the Army will only report its own EPA requirements, not those of the Navy and Air Force).

Effective Date: The SNaP FY2016 President's Budget and KBCRS FY2016 President's Budget backup data submissions tentatively due in January 2015.

6. Procedure: The DoD Components will no longer report program management funding separately for the Installation Restoration Program (IRP) and the Military Munitions Response Program (MMRP). The DoD Components will continue to report site-level funding separately for the IRP and MMRP.

Effective Date: The KBCRS FY2016 President's Budget backup data submission tentatively due in January 2015.

7. Procedure: The DoD Components will adopt a "most likely" rather than a "most conservative" approach when developing cost-to-complete estimates.

Effective Date: The mid-year 2015 KBCRS data submission tentatively due in August 2015.